

Message Text

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ORIGIN NEA-10

INFO OCT-01 EA-09 ISO-00 AGR-10 CIAE-00 COME-00 EB-07

INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-02

FRB-01 OMB-01 L-03 AID-05 NSC-05 SS-15 CEA-01 DODE-00

PA-02 USIA-15 PRS-01 /105 R

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APPROVED BY NEA/INS:BWBROWN

EB/ICD/FTD - S. FOUTS

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R 270014Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI

INFO AMCONSUL HONG KONG

AMCONSUL MADRAS

AMCONSUL CALCUTTA

AMCONSUL BOMBAY

UNCLAS STATE 019431

E.O. 11652: N/A

TAGS: ETRA, IN

SUBJECT: TEXTILE CONSULTATIONS

REF: STATE 6164

1. FOLLOWING IS TEXT OF NOTES EXCHANGED BY U.S. AND GOI
JANUARY 22, 1976. EXCHANGE AMENDED BILATERAL AGREEMENT ON
TRADE IN COTTON TEXTILES. EMBASSY SHOULD NOTE EXCHANGE OF
LETTERS COVERING ADMINISTRATIVE ARRANGEMENTS NECESSARY TO
IMPLEMENT NEW AGREEMENT HAS NOT YET TAKEN PLACE. WE EXPECT
THIS WILL OCCUR THIS WEEK.

2. TEXT OF UNITED STATES NOTE: QUOTE. EXCELLENCY:
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I HAVE THE HONOR TO REFER TO THE ARRANGEMENT REGARDING

INTERNATIONAL TRADE IN TEXTILES DONE IN GENEVA ON DECEMBER 20, 1973 (THE "ARRANGEMENT") AND TO THE BILATERAL COTTON TEXTILE AGREEMENT OF AUGUST 6, 1974, WITH RELATED LETTER OF JANUARY 30, 1974, BETWEEN OUR TWO GOVERNMENTS (TOGETHER, THE "AGREEMENT").

I ALSO HAVE THE HONOR TO REFER TO RECENT DISCUSSIONS BETWEEN REPRESENTATIVES OF OUR TWO GOVERNMENTS IN WASHINGTON AND, INASMUCH AS OUR TWO GOVERNMENTS DO NOT HAVE A COMMON UNDERSTANDING ON THE INTERPRETATION OF CERTAIN PROVISIONS

OF ARTICLE 12, PARAGRAPH 3 OF THE ARRANGEMENT, HAVE THE HONOR TO PROPOSE THE FOLLOWING PROVISIONS AND AMENDMENTS TO THE AGREEMENT:

1.AS PROVIDED IN ARTICLE 12, PARAGRAPH 3 THEREOF, THE ARRANGEMENT DOES NOT APPLY TO HANDMADE COTTAGE INDUSTRY PRODUCTS MADE OF HANDLOOM FABRICS OF THE COTTAGE INDUSTRY.

2.ADDITIONALLY, PRODUCTS MADE OF HANDLOOM FABRICS OF THE COTTAGE INDUSTRY, WHEN CERTIFIED AS SUCH BY THE GOVERNMENT OF INDIA IN ACCORDANCE WITH ADMINISTRATIVE ARRANGEMENTS AGREED TO BY THE TWO GOVERNMENTS, SHALL NOT BE SUBJECT TO THE AGREEMENT.

3.HOWEVER, EXPORTS FROM INDIA TO THE UNITED STATES OF HANDLOOM APPAREL PRODUCTS DESCRIBED IN PARAGRAPH 2 HEREOF SHALL BE LIMITED TO 2.9 MILLION DOZEN UNITS DURING THE YEAR OCTOBER 1, 1975, THROUGH SEPTEMBER 30, 1976, AND TO 3.0 MILLION DOZEN UNITS DURING THE YEAR OCTOBER 1, 1976, THROUGH SEPTEMBER 30, 1977; PROVIDED, HOWEVER, THAT DURING THE YEAR OCTOBER 1, 1975, THROUGH SEPTEMBER 30, 1976, THE GOVERNMENT OF INDIA MAY AUTHORIZE THE EXPORT TO THE UNITED STATES OF UP TO 1.6 MILLION DOZEN UNITS OF SUCH APPAREL ALLOCATED HEREBY TO THE YEAR OCTOBER 1, 1976, THROUGH SEPTEMBER 30, 1977.

4.THE AGREEMENT IS HEREBY AMENDED TO PROVIDE THAT GROUP I SHALL ALSO INCLUDE CATEGORIES 28-38 AND 64 (MADE-UP AND MISCELLANEOUS COTTON TEXTILE PRODUCTS). CATEGORIES 28-38 UNCLASSIFIED

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AND 64 SHALL WHEN TAKEN TOGETHER BE SUBJECT TO A SPECIFIC LIMIT OF 10 MILLION SQUARE YARDS EQUIVALENT (SYE) FOR THE YEAR OCTOBER 1, 1975 THROUGH SEPTEMBER 30, 1976. THE SPECIFIC LIMITS FOR CATEGORIES 28/29, 31 AND 34/35, AS PROVIDED IN PARAGRAPH 4(A) OF THE AGREEMENT, SHALL CONTINUE TO APPLY, PROVIDED THAT THE SPECIFIC LIMIT FOR CATEGORIES 28-38 AND 64 WHEN TAKEN TOGETHER AS MENTIONED ABOVE SHALL NOT BE EXCEEDED.

5.THE AGREEMENT IS HEREBY AMENDED TO PROVIDE THAT FOR THE THIRD AND FOURTH YEARS OF THE AGREEMENT, THE AGGREGATE AND GROUP LEVELS SHALL BE AS FOLLOWS:

FOR THE THIRD AGREEMENT YEAR, THE AGGREGATE LIMIT SHALL BE 138.182 MILLION SYE AND THE GROUP I LIMIT SHALL BE 120 MILLION SYE. SHIPMENTS UNDER GROUP II DURING THE THIRD AGREEMENT YEAR SHALL NOT EXCEED 20 MILLION SYE, INCLUDING SWING, AS DEFINED IN PARAGRAPHS 4(B) AND 5 OF THE AGREEMENT.

FOR THE FOURTH AGREEMENT YEAR, THE AGGREGATE LIMIT SHALL BE 147.8547 MILLION SYE, AND THE GROUP I LIMIT SHALL BE 128.4 MILLION SYE. SHIPMENTS UNDER GROUP II DURING THE FOURTH AGREEMENT YEAR SHALL NOT EXCEED 21.4 MILLION SYE, INCLUDING SWING AS DEFINED IN PARAGRAPHS 4(B) AND 5 OF THE AGREEMENT.

6.THE LIMITS IN THE THIRD YEAR UNDER THE AGREEMENT, DETERMINED IN ACCORDANCE WITH THE AGREEMENT AS AMENDED HEREBY, SHALL BE INCREASED 7 PERCENT FOR THE FOURTH AGREEMENT YEAR PURSUANT TO PARAGRAPH 8 OF THE AGREEMENT.

7.EXCEPT AS AMENDED HEREBY,THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT; PROVIDED, HOWEVER, THAT IN THE CASE OF ANY CONFLICT BETWEEN THE TERMS OF THE AGREEMENT AND THE TERMS HEREOF, THE TERMS HEREOF SHALL GOVERN.

IF THIS PROPOSAL IS ACCEPTABLE TO THE GOVERNMENT OF INDIA, THIS NOTE AND YOUR EXCELLENCY'S NOTE OF ACCEPTANCE ON BEHALF OF THE GOVERNMENT OF INDIA SHALL CONSTITUTE AN AGREEMENT BETWEEN OUR TWO GOVERNMENTS WHICH, BY PARAGRAPHS 4, UNCLASSIFIED

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5, 6 AND 7 HEREOF, AMENDS THE AGREEMENT AND WHICH OTHERWISE FURTHER REGULATES TRADE IN COTTON TEXTILES BETWEEN INDIA AND THE UNITED STATES OF AMERICA, EFFECTIVE ON THE DATE OF YOUR NOTE OF ACCEPTANCE.

ACCEPT, EXCELLENCY, THE RENEWED ASSURANCES OF MY HIGHEST CONSIDERATION.

FOR THE ACTING SECRETARY OF STATE: /S/ PAUL BOEKER. END QUOTE.

3. TEXT OF EMBASSY OF INDIA NOTE: QUOTE. EXCELLENCY:

I HAVE THE HONOUR TO ACKNOWLEDGE RECEIPT OF YOUR NOTE OF JANUARY 20, 1976 PROPOSING CERTAIN PROVISIONS AND AMEND-

MENTS TO THE BILATERAL COTTON TEXTILE AGREEMENT OF AUGUST
6, 1974, BETWEEN OUR TWO GOVERNMENTS WHICH READS AS FOLLOWS:
(TEXT OF U.S. NOTE)

I CONFIRM ON BEHALF OF THE GOVERNMENT OF INDIA THAT THE
PROPOSAL SET FORTH IN YOUR NOTE IS ACCEPTABLE TO MY GOVERN-
MENT AND THAT YOUR NOTE AND THIS NOTE IN REPLY SHALL CON-
STITUTE AN AGREEMENT BETWEEN OUR TWO GOVERNMENTS.

ACCEPT, EXCELLENCY, THE RENEWED ASSURANCES OF MY HIGHEST
CONSIDERATION. /S/ T. N. KAUL, AMBASSADOR OF INDIA. END
QUOTE.

4. TEXT OF EXCHANGE WILL BE MADE PUBLIC VIA DEPARTMENT

PRESS RELEASE WITHIN A FEW DAYS. KISSINGER

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NNN

Message Attributes

Automatic Decaptioning: X
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Draft Date: 27 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: RBMORLEY:EI
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Status: NATIVE
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TAGS: ETRD, IN, US
To: NEW DELHI
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